

1552.215-73 Instructions for the preparation of technical and cost or pricing proposals.

As prescribed in 1515.407(a), insert the following provision:

INSTRUCTIONS FOR THE PREPARATION OF TECHNICAL AND COST OR PRICING PROPOSALS (AUG. 1993)

(a) Technical proposal instructions.

(1) Submit your technical proposal as a separate part of the total proposal package. Omit all cost or pricing details from the technical proposal. Include the following elements in your technical proposal (see also the Statement of Work and the Technical Evaluation Criteria):

- (i) Technical approach;
 - (ii) Technical management;
 - (iii) Key technical personnel;
 - (iv) Assumptions, deviations, and exceptions (as necessary); and
 - (v) Additional information.
- (2) Special technical proposal instructions.

(b) Cost or pricing proposal instructions.

Your cost or price proposal shall be specific, complete in every detail, and separate from your technical proposal. In addition to a hard copy of the information, to expedite review of your proposal, you are requested to submit a computer disk containing the financial data required under 1552.21573(b)(2) through (b)(9), if this information is available using a commercial spreadsheet program on a personal computer. Please indicate the software program used to create this information. Offerors should include the formulas and factors used in calculating the financial data on the disk as well as the basic financial information. Although submission of the computer disk will expedite review, failure to submit the disk will not affect consideration of your proposal.

(1) General—Submit cost or pricing data on Standard Form 1411, Contract Pricing Proposal Cover Sheet, prepared in accordance with FAR 15.804-6, FAR Table 15-3, and the following:

(i) Clearly identify separate cost or pricing data associated with any:

(A) Options to extend the term of the contract;

(B) Options for the Government to order incremental quantities; and/or

(C) Major tasks, if required by the special instructions.

You may indicate the above cost or price detailed data in narrative form or on a spread sheet, provided that all cost or pricing data is adequately and clearly described. Place recap/summary information on the SF 1411.

(ii) Clearly identify all costs and data in support of the proposed cost/price. Include

the index required by FAR 15.804, Table 15-2 Paragraph 4.

(iii) Submit a current financial statement, including a balance sheet and a statement of profit and loss for the last completed fiscal year. Specify resources available to perform the contract without assistance from any outside source. If sufficient resources are not available, indicate in your proposal the amount required and the anticipated source (i.e., bank loans, letter or lines of credit, etc.).

(iv) If other division, subsidiaries, a parent or affiliated companies will perform work or furnish materials under this proposed contract, please provide the name and location of such affiliate and your intercompany pricing policy. Separately identify costs and supporting data for each such entity proposed.

(v) If the contract schedule includes a "Fixed Rates for Services" clause, please provide in your cost proposal a schedule duplicating the format in the clause and include your proposed fixed hourly rates per labor category for the base and any option contract periods.

(vi) If the contract includes the clause at EPAAR 1552.232-73, "Payments—Fixed-Rate Services Contract," or the clause at FAR 52.232-7, "Payments Under Time and Materials and Labor-Hour Contracts," include in your cost proposal the estimated costs and burden rate you will apply to materials, other direct costs, or subcontracts. The Government will include these costs as part of its cost proposal evaluation.

(vii) Whenever subcontractor effort is included in the proposed costs, the prime contractor shall include an additional supporting cost summary consolidating all costs (both contractor and subcontractor) by element for each contract period.

(2) Direct Labor.

(i) Attach support schedules for each proposed labor category, indicating both proposed hours and rates. Explain the basis of the proposed labor rates, including a complete justification for all judgmental factors used to develop weights applied to your company's category or individual rates that comprise the rates for labor categories specified in the solicitation. This explanation should describe how your technical approach coincides with the proposed costs.

Describe for each labor category proposed your company's qualifications and experiences requirements. If individual rates are used, also provide the employee's name. If specific individuals are identified in the technical proposal, correlate these individuals with the labor categories specified in the solicitation.

Provide a matrix summarizing the effort proposed, including the subcontracts, by professional and technical level specified in the solicitation.

(ii) Indicate whether current rates or escalated rates are used. If escalation is included, state the degree (percent) and methodology. The methodology shall include the effective date of the base rates and the policy on salary reviews (e.g. anniversary date of employee or salary reviews for all employees on a specific date).

(iii) State whether any additional direct labor (new hires) will be required during the performance period of this acquisition. If so, state the number required.

(iv) With respect to educational institutions, include the following information for those professional staff members whose salary is expected to be covered by a stipulated salary support agreement pursuant to OMB Circular A-21.

(A) Individual's name;

(B) Annual salary and the period for which the salary is applicable;

(C) List of other research projects or proposals for which salary is allocated, and the proportionate time charged to each; and

(D) Other duties, such as teaching assignments, administrative assignments, and other institutional activities. Show the proportionate time charged to each. (Show proportionate time charges as a percentage of 100% of time for the entire academic year, exclusive of vacation or sabbatical leave.)

(3) Indirect costs (overhead, general, and administrative expenses). Unless your proposed indirect rate(s) have recently been accepted by a contracting agency of the Government, provide detailed supporting computations. These computations may include historical as well as budgeted data. Indicate whether your computations are based upon historical or projected data. If your rates have been recently approved, include a copy of the agreement. If the agreement does not cover the projected performance period of the proposed effort, provide the rationale and any estimated rate calculations for the proposed performance period.

(4) Travel expense.

(i) Attach a schedule illustrating how travel was computed. Include a breakdown indicating the number of trips, number of travelers, destination, purpose and cost.

(ii) If the solicitation specifies the amount of travel costs, this amount is exclusive of any applicable indirect costs and fee.

(5) Consultant service.

Identify the contemplated consultants. State the amount of service estimated to be required and the consultant's quoted daily or hourly rate.

(6) When the cost of a subcontract is substantial (25 percent of the estimated contract value or \$10,000, whichever is less), include details of subcontract costs in the same format as the prime Contractor's costs. Include a cost or price analysis of the subcontract costs in accordance with FAR 15.806-1(a)(2).

(7) Equipment (not including special equipment).

(i) If direct charges for use of existing contractor equipment are proposed, provide a description of these items and details of the basis of such charges.

(ii) If equipment purchases are proposed, provide a description of these items, details of the proposed costs (including at least three price quotes), and a justification as to why the Government should furnish the equipment or allow its purchase with contract funds.

(iii) Identify Government-owned property in the possession of the offeror or proposed to be used in the performance of the contract, and the Government agency which has cognizance over the property.

(8) Facilities and special equipment, including tooling.

(i) If special purpose facilities or equipment is being proposed, provide a description of these items, details of the proposed costs including competitive prices, and justification as to why the Government should furnish the equipment or allow its purchase with contract funds.

(ii) If fabrication by the prime Contractor is contemplated, include details of material, labor, and overhead.

(9) Other Direct Costs.

(i) Attach a schedule detailing how other direct costs were computed. Identify the major ODC items that under your accounting system would be a direct charge on any resulting contract.

(ii) If the solicitation specifies the amount of other direct costs, this amount is exclusive of any applicable indirect cost and fee.

(End of provision)

Alternate I (AUG 1993). If this solicitation is for a cost-reimbursable, level of effort type contract, add the following at the end of paragraph (b)(2)(i):

All management and support (such as clerical, corporate and day-to-day management) hours and costs proposed to be a direct charge, in accordance with your normal accounting treatment, are to be shown separately from that for the technical effort.

Alternate II (AUG 1993). If the Government's requirement is a fully dedicated staff person for a twelve month period(s) for each specified position and performance is on a Government facility, add the following paragraph (b)(2)(v) to the basic provision:

(v) The level of effort for each position is to be proposed in workyears. A workyear is considered to consist of 2080 hours inclusive of direct and indirect time (40 hours per week \times 52 weeks per year = 2080 hours). Your proposal must identify proposed workyears and clearly identify how many hours in each workyear are direct (i.e. productive working hours) and how many are indirect (i.e. paid absences). If your company policy includes a